

# Budget Worksession

---

February 13, 2019

# Agenda

---

- Prioritized capital requests
- Proposed policy for an annual capital funding source
- Information desired for next meeting – February 20, 2019 after 4:00 PM Finance Committee/Audit Committee meeting
- Upcoming dates to remember
  - February 19, 2019 School Superintendent presents proposed budget at School Board office 7:00 PM
  - February 27, 2019 Joint Budget worksession with School Board 5:30 PM
  - March 13, 2019 Final Budget worksession for ad
  - March 19, 2019 Budget Advertisement
  - March 27, 2019 Public Hearing on Budget
  - April 10, 2019 Budget Adoption

# FY 20 Capital Requests

---

- General Fund \$4.7 million
- School Capital presented by Superintendent

General Fund requests reduced by vehicles qualifying for “Needs Immediate Consideration” on Vehicle Replacement Assessment Model.

# General Fund Capital Priorities

---

- Reassessment rugged field data devices \$ 7,000
- IT switch replacement \$200,000
- Sheriff cargo van for prisoner transportation \$ 50,774
- Fire and Rescue Washers/Extractors \$ 18,000
- Maintenance AC Units for PSB \$ 18,000
- Bowman Library Automation System \$ 16,000

# General Fund Capital Priorities

---

• Parks and Recreation Mower	\$ 68,000
• Parks and Recreation – Fields	\$ 200,000
• Albin Convenience Site	<u>\$1,224,000</u>
	\$1,801,774

Radios for Public Safety (\$780,000) and upgrade for microwave system (\$561,340) remain a priority. Radio study currently underway.

# County Capital Fund

---

*Propose creation of policy for annual funding source that could be added to the current board capital reserve or separately identified*

# Annual Capital Fund Funding Source

---

- Current Unreserved Fund Balance policy requires 17% (or two months) operating reserve.
- Proposal: *establish a policy that funds above 20% be transferred annually to a County Capital Fund.*

## How would this impact Unreserved Fund Balance?

---

- Current fund balance = \$42.9 million
  - Current balance requirement per policy (17%) or \$30.5 million
- *Proposed policy: would result in a fund transfer of \$7 million to Capital Fund*
  - Leaving fund balance of \$35.9 million (20%)
- Maintain a 3% buffer (\$5.4 million) above fund balance policy minimum for emergency purposes



# FY 20 Proposed Budget

---

- Funding of future capital requests would be through the proposed Capital Fund
- Creation of a Capital Fund would enable us to eliminate use of Unreserved Fund Balance in the FY 20 proposed budget
  - The FY 19 budget included a one-time transfer to the School Capital Fund in the amount of \$2.3 million. This amount could be eliminated, thus eliminating the \$1.965 million used from unreserved fund balance to balance the budget.

# County Capital Fund Summary

---

- Establish policy for annual funding source
  - General Fund above 20%
- Board approval required for appropriations from Capital fund
- Appropriations not subject to traditional 57/43 split
- Current transfer could be \$7 million
- Retain Unreserved Fund Balance of 20% (\$35.9 mill)
- Eliminate Fund Balance funding in FY 20